

ASSISTANT TOWN MANAGER / FINANCE DIRECTOR

Town Hall 4 Boltwood Avenue Amherst, MA 01002-2301 www.amherst*ma*.gov Phone: 413-259-3022 Facsimile: 413-259-2401 finance@amherstma.gov

October 2, 2009

TO:

Larry Shaffer, Town Manager

Select Board

Finance Committee

FROM:

John P. Musante, Assistant Town Manager/Finance Director-

SUBJECT:

Background Information – Articles 2 and 3 (November 2, 2009 STM)

ARTICLE 2. Transfer of Funds – Unpaid Bills

(Select Board)

To see if the Town will, in accordance with Chapter 44, Section 64, of the Massachusetts General Laws, appropriate and transfer a sum of money to pay unpaid bills of previous years.

This is an article that allows the Town to pay unpaid bills from a prior fiscal year, if any, for which funds were not already encumbered. As of this date, the Town is not aware of any such bills requiring action by Town Meeting. If no such bills are received prior to Town Meeting, the Finance Committee will move to dismiss this article.

ARTICLE 3. FY 2010 Budget Amendments (Finance Committee)

A. To see if the Town will amend the budget voted under Article 22 of the 2009 Annual Town Meeting (FY 2010 Operating Budget) to transfer sums of money between General Government, Public Safety, Public Works, Planning, Conservation, and Inspections, Community Services, and Debt Service accounts to balance the 2010 Fiscal Year.

Part A of the article would allow the Town to transfer appropriated funds between functional areas of the municipal portion of the budget to allocate so-called "Tier 3" cuts to the appropriate functional area of the operating budget. See the attached worksheet dated June 11, 2009 that reflects estimates of potential savings from these cuts. The Tier 3 cuts were implemented as a lump sum cut to the General Government portion of the FY 10 budget at the annual town meeting because cost savings were still being refined. Tier 1 and Tier 2 cuts were included in the budgets voted at annual town meeting. I will have

a recommended motion and worksheet with the most current information ready to review with you at your meeting.

B. To see if the Town will appropriate and transfer \$63,674 from Free Cash in the Undesignated Fund Balance of the General Fund to the Health Claims Trust Fund to account for Medicare Part D reimbursements received by the Town of Amherst for prescription drug costs incurred by the Health Claims Trust Fund for Town of Amherst, Amherst-Pelham Regional School District, and Town of Pelham members.

Medicare Part D, enacted in 2003, reimburses health care insurers, including our Health Claims Trust Fund (HCTF), for roughly 28% of eligible prescription drug costs incurred by subscribers. The Massachusetts Department of Revenue requires that these reimbursements be credited to the Town of Amherst General Fund; however, the HCTF is comprised of the Town of Amherst, the Town of Pelham, and the Regional School District. Since the payments for the prescriptions came from the HCTF and since it would not be right for the Town of Amherst to keep all of the reimbursement, this part of the article asks to appropriate funds from Free Cash (where the reimbursement will be when Free Cash is certified) to the Health Claims Trust Fund. The amount is equal to the reimbursement received this fiscal year. A similar transfer and appropriation was approved as part of Article 14 of the 2009 annual town meeting for prior year reimbursements.

C. To see if the Town will appropriate and transfer a sum of money from Free Cash in the Undesignated Fund Balance of the General Fund to balance the 2010 Fiscal Year Budget.

Part C of the article would allow an appropriation, if necessary, in addition to the \$900,000 voted from Free Cash at the 2009 annual town meeting to balance the FY 10 budget. This article was placed on the warrant as a placeholder in case the Town needs to take additional steps to keep the adopted budget in balance if FY 10 state aid is reduced again mid-year due to the slumping economy. A specific recommendation and motion will be developed closer to Town Meeting, which could include a motion to dismiss, with the most current information.

11-Jun-2009

TOWN OF AMMERST - FY 10 MUNICIPAL BUDGET	
TOWN OF AMMERST	Budget Cuts

ussion Pu	DRAFT - For Discussion Purposes Only			+ \$ Reduction	ă	Cumulative	FY 10 Municipal	
	Description	FIE	\$ Reduction	Benefits	Totals	Cont	Budget	
W 60,	Ter 1 Cuts (from 1/16/09 Manager Budget Proposal):						19,648,218 Level Services	ices
Ą	Town Mgr/Select Board Admin Assistant to Town Manager	-1.00	(41,096)			(41,096)		+5.7%
Ĭ	Human Resources Consultant		(44,200)			(85,296)		
ű	Elections		(26,300)			(111,596)		
б	Overtime and Extra Help		(65,000)			(176,596)		
ã	Director of Communications Center	-1.00	(80,277)			(256,873)		
ర	Crew Supervisor in Tree Maintenance	-1.00	(22,666)			(314,539)		
ō	Clerical Extra Help		(11,217)			(325,756)		
ŏ	Outreach Worker (grant offset)	-0.09	(6),709)			(335,465)		
۵	Public Health Nurse (grant offset)		(000'9)			(341,465)		
ď	Program Coordinator (Aquatics/Sports)	-1.00	(41,134)			(382,599)		
Í	Human Services Agency Funding		(66,000)			(448,599)		
Ō	Director (grant offset)	-0.20	(15,379)			(463,978)	(463,978)	
ಡ	SUBTOTAL - TIER 1	-4.29			(463,978)	1	19,184,240 Manager FY 10	FY 10
								+3.Z%
			107			(000 001)		
≘	increase Health Insurance Co-Pays		(82,442)			(074,640)		
	Life Insurance increase basic to \$10,000		10,110			(539,310)		
Town Mgr/Select Board Pa	Part-Time Clerical		(20,000)			(559,310)		
	Staff Reduction/Reorganization	-1.00	(64,612)	(11,500)		(635,422)		
ے	Delay Email Outsourcing		(20,000)			(655,422)		
1	Transfer E002 Info Coordalist to IT	0.50	(30 538)			(685 960)		
= ;	district 50% into operation to it	3 6	(000'00)			(655 422)		
=	Fransier 50% into specialist to II	0.00	30,338			(224,000)		
ž	Regionalization	-0.40	(000,5)			(224,000)		
ā	Program/Staff Cuts & Increased Fees	-1.00	(65,307)	(11,500)		(677'/5/)		
Ö	Close War Memorial Pool (net)		(41,840)			(690'677)		
ŵ	Extra Help & OT		(20'000)			(20,069)		
0	Overtime (minimum manning to 7)		(80,000)			(879,069)		
33	3 Officers	-3.00	(121,145)	(34,500)		(1,034,714)		
S	SUBTOTAL - TIER 2	-5.40	de la companya de la		(570,736)		(570,736)	
F	TOTAL CUTS - TIER 1 & 2	-9.69		***************************************	(1,034,714)	•	(1,034,714)	
ä	Building Maintenance Supervisor	-1.00	(46,090)					
æ	Bldg Maintenance PM Plan		10,000					
ď	Payroll Correction (Parks & Commons)		(19,987)					
×	Administrative Assistant	-1.00	(50,366)					
F	Temp Clerical		10,000					
٨	Associate Planner (grant offset)	-1.00	(41,059)					
<	Administrative Assistant	-0.53	(18,860)	(11,500)				
٨	Assistant Sanitarian	-0.53	(19,548)	(11,500)				
~	Reduce Non-Union COLA to 2% (from 3.5%)		(38,435)					
<	Additional Cuts/Revenue to Target		(41,299)					
S	SUBTOTAL - TIER 3	-4.07			(278,644)		(278,644)	
						•		
J	CUT TARGET (as of 5/28/09)	-13.76			(1,313,358)		18,334,860	-1.4%

FY 10 Budget Amendments - Municipal November 2, 2009 Special Town Meeting - Article 3, Part A

5-Oct-2009

5-OCI-200 5		Ву		
	Ву	Functional	11.2.09	
Department	Dept	Area	STM Transfer	
Select Board	1			
Town Manager	1,720			
Finance	(3,647)			
Accounting	(1,116)			
Assessors	(1,168)			
Collectors	1,415			
Clerk	(974)			
Human Resources/Rights	(97,626)			
<u>IT</u>	9,159			
Town Hall	(32,726) 0			
Bangs Center	0			
Munson GENERAL GOVERNMENT		(124,962)	153.683	Gen Govt Transfer In =
GENERAL GOVERNMENT		(12-1,00)	,,,,,,,,	Sum of Public Works,
Public Works Administration	(1,739)			P/C/I, and Community
Highway	(3,295)			Services Transfers Out
Equipment Maintenance	(1)			
Tree	(6,096)			
Cemetary	0			
Parks and Common	(20,447)		(04 570)	
PUBLIC WORKS		(31,578)	(31,578)	
Languagia o Octobra	(DE 046)			
Inspection Services Conservation	(25,046) (1,265)			
Planning	(41,673)			
P/C/I	(47,070)	(67,984)	(67,984)	•
1 Pon		(20,000)	(,,	
Health	(33,872)			
Senior Center	(19,983)			
Veterans	0			
LSSE	(662)			
Pools	(56)			
Cherry Hill	452	(84.464)	(54.404)	
COMMUNITY SERVICES	-	(54,121)	(54,121)	<u>_</u>
Total Municipal		(278,644)		
Fire	209			

Total Municipal	(278,644)	
Fire	209	
Police	56,244	
Animal Welfare	0	
Police Facility	(1,356)	
Communication Center	4,298	
PUBLIC SAFETY	59,395	0